

Democrats More Fiscally Responsible Than Republicans

- ***Democrats Balance Budget; Republicans Do Not*** — The House Republican budget never reaches unified balance. In fact, Republicans hide the last five years of the customary ten-year budget window, to conceal the fact that their deficit only gets worse. The Democratic budget reaches balance in 2012, and has \$34 billion less public debt than the Republican budget at the end of their five years.
- ***Democrats Weigh Priorities; Republicans Rely on Unrealistic Future Spending Cuts*** — The Democratic budget balances the competing priorities of tax relief to stimulate the economy, protection of Medicare and Social Security, and fiscal responsibility with the need to provide adequate resources for homeland security, education, law enforcement, veterans health care, and other public investments. The House Republican budget adds \$301 billion to the deficit from 2005 through 2009. That number will be even more unless Congress enacts spending cuts that even some Republicans admit are most unlikely. If these spending cuts do not occur, the Republican budget will create even larger deficits.
- ***Pursuing Another \$1.3 Trillion in Tax Cuts When the Budget Is in Deficit Is Fiscal Irresponsibility*** — The single-minded pursuit of top-heavy, back-loaded, fiscally irresponsible tax cuts even larger than those passed three years ago drives all the Republican budgets — in the Senate and House, as well as the President's. The cost of this unbalanced approach is both chronic, triple-digit deficits, and shortchanging America's priorities.
- ***The Democratic Budget Protects Social Security, While the Republican Budget Creates a Fiscal Time-Bomb*** — Democrats want to pay down the public debt to prepare for the retirement of 77 million Baby Boomers, which begins in just four years. Republicans continue to say that privatization offers a painless solution. After Federal Reserve Board Chairman Alan Greenspan drew the obvious conclusion that making permanent the Republican tax cuts would require cuts in Social Security benefits, the President reacted by advocating replacing Social Security with private accounts. But the President's own experts acknowledge that would cost at least another \$1 trillion of public debt.
- ***The 75-year Cost of Republicans' New Tax Cuts Is Triple the Projected Social Security Trust Fund Shortfall*** — The Center on Budget and Policy Priorities — using the same estimating techniques as the CBO, OMB, and GAO — calculates that the 75-year cost of the new tax cuts Republicans propose is between \$12.1 trillion and \$14.2 trillion in present value. This is more than three times the \$3.7 trillion Social Security shortfall estimated by the program's trustees. In fact, the 75-year cost of Republicans' new tax cuts exceeds the combined long-run unfunded obligations of both Social Security and Medicare.

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- ***Democrats Have a Successful Track Record on Fiscal Discipline; Republicans Do Not***
— President Bush inherited a fiscal legacy no previous president enjoyed: a \$5.6 trillion ten-year surplus. The budget under Democratic leadership had shown improvement for eight straight years, culminating in the first surplus ever without using either the Social Security or the Medicare Trust Fund surpluses. Republicans claimed that this confronted us with the grave “danger” of paying off too much public debt. In just three short years, Republicans have solved that “problem” and replaced it with one far worse — chronic, triple-digit deficits and mounting public debt.